

United States
Department of the Interior
Bureau of Land Management

Miles City Field Office

Flaring of Non-Economic Gas
Denbury Onshore, LLC

Determination of NEPA Adequacy
DOI-BLM-MT-C020-2013-0032-DNA

For Further Information Please Contact:

Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301
406-233-2800

BLM



Worksheet
Documentation of NEPA Adequacy (DNA)
U.S. Department of the Interior
Bureau of Land Management (BLM)

BLM Office: Miles City

NEPA Number: DOI-BLM-MT-C020-2013-32-DNA

Case File/Project No:

Proposed Action Title/Type: Flaring of Non-Economic Gas

Location/Legal Description: NENW Sec 5, T26N-R56E

A: Description of the Proposed Action: Flaring of noneconomic gas from Continental Resources, Inc.'s Baxter 1-5H (25-083-22852)

Applicant: Denbury Onshore, LLC

County: Fallon County

DNA Originator: Paul Helland

B. Land Use Plan (LUP) Conformance

LUP Name* Big Dry RMP Date Approved April, 1996

Other document** MT-C020-2012-204-EA (24-7-1H APD) Date Approved 7-27-2012

Other document** _____ Date Approved _____

**List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)*

☐ The proposed action is in conformance with the applicable LUPs because it is specifically provided for in the following LUP decisions:

☒ The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions) Big Dry RMP, Page 325, Under **Separating, Treating, and Storage**, this section states in part, "the gas can be flared or vented into the atmosphere when authorized by permit in accordance with state and federal regulations."

C. Identify applicable National Environmental Policy Act (NEPA) document(s) and other related documents that cover the proposed action.

Big Dry RMP (page 325) and EA MT-C020-2012-228 for the Kittleson 24-7-1H APD.

D. NEPA Adequacy Criteria

- 1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?** The venting and flaring of produced gas is specifically addressed in the Big Dry RMP and EA MT-C020-2012-228 and this proposed action is in the same area and class II air shed.
- 2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, resource values?** Yes, the alternatives are to not allow this gas to be flared (no action) or to allow the flaring. Produced gas from the Baxter 1-5H must be vented or flared for the well to continue to produce oil. This well produces approximately 40 mcf/day and a portion of the gas, about 7 mcf/day, is used to operate the heater treater. The remaining volume of gas, about 33 mcf/day, does not economically justify construction of a gas sales line and is flared at the facility.
- 3. Is the existing analysis valid in light of any new information or circumstances (such as rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstance would not substantially change the analysis of the new proposed action?** Yes, the existing analysis is valid given current circumstances and the information provided regarding this activity. Flaring this gas will allow the well to continue to produce oil and will not have a significant impact on air quality. This action would occur in the same Class II airshed as the existing analysis. Existing circumstances are similar to the circumstances for the original analysis.
- 4. Are the direct, indirect and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?** Yes, the effects are similar to the situation analyzed in the RMP and the referenced EA. This involves a small amount of gas and the effects would be minimal.
- 5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?** Yes, other appropriate agencies are involved. When the operator has royalty related approval to flare or vent from the BLM, the Conditions of Approval to vent or flare state, "This approval does not constitute approval via permit or rule to vent gas from the Oil and Gas Conservation Division, Department of Natural Resource and Conservation of the State of Montana or the Air Quality Division, Montana Department of Health and Environmental Sciences. Venting and flaring cannot occur unless it is in compliance with the aforementioned agencies' permits and administrative rules." Thus other agencies relevant to this action are involved as required.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the preparation of this worksheet.

<u>Name</u>	<u>Title</u>	Resource Represented	Initials & Date
Paul Helland	Petroleum Engineer	Minerals	PH 11-14-2012
David Breisch	Assistant Field Manager	Minerals	DJB 11/19/12



Environmental Coordinator

11/19/2012

Date

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s). List the specific mitigation measures or identify an attachment that includes those specific mitigation measures. Document that these applicable mitigation measures must be incorporated and implemented.

CONCLUSION

☒ Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM's compliance with the requirements of NEPA.

Note: If one or more of the criteria are not met, a conclusion of conformance and/or NEPA adequacy cannot be made and this box cannot be checked



Todd D. Yeager
Field Manager
Miles City Field Office

11/20/2013

Date

Continental Resources, Inc.
Baxter 1-5H (25-083-22852)
NENW Sec. 5, T26N-R56E
Richland County, Montana

Your NTL-4A application for the above captioned facility has been approved effective November 9, 2012 as authorized by NTL-4A, IV.B.1. This approval is based on the following:

1. It is not economically feasible to sell or otherwise beneficially use the subject gas at this time due to low volume.

Terms and Conditions of Approval:

1. This approval is for royalty determinations only. No royalty shall accrue if the gas is vented or flared from the above captioned facility.
2. This approval does not constitute approval via permit or rule to vent or flare gas from the Oil and Gas Conservation Division, Department of Natural Resource and Conservation of the State of Montana or the Air Quality Division, Montana Department of Health and Environmental Sciences. Venting and flaring cannot occur unless it is in compliance with the aforementioned agencies' permits and administrative rules.
3. This approval is in effect until November 1, 2014, unless conditions change that would allow the vented/flared gas to be sold. Approval to vent/flare gas after November 1, 2014 will require another NTL-4A application or evidence submitted on Sundry Notice Form 3160-5 that the same conditions exist for which this approval was given.

If you have any questions, please contact Paul Helland at 406-233-3668.

You have the right to request a State Director Review of this decision and these Conditions of Approval pursuant to 43 CFR 3165.3(b). An SDR request, including all supporting documentation shall be filed with the Montana State Office, State Director (MT-920) at 5001 Southgate Drive, Billings, Montana 59101-4669 within 20 business days of your receipt of this decision. If adversely affected by the State Director's decision, it can be further appealed to the Interior Board of Land Appeals (IBLA) pursuant to 43 CFR 3165.4, 43 CFR 4.411, and 43 CFR 4.413. Should you fail to timely request an SDR, or after receiving the State Director's decision, fail to timely file an appeal with IBLA, no further administrative review of this decision would be possible.